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**IOWA UTILITIES BOARD**  
**Energy Section**

Docket No.: EAC-2011-0007  
(RPU-2010-0001)  
Utility: Interstate Power and Light  
Company (IPL)  
File Date: October 21, 2011  
Memo Date: November 15, 2011

**TO:** The Board

**FROM:** Vernon Jordan  
Parveen Baig

**SUBJECT:** Seventh Transmission Informational Report for IPL Regional  
Transmission Rider

**I. Background/Analysis**

On October 21, 2011, Interstate Power and Light Company (IPL) filed its seventh monthly Transmission Information Report in compliance with the Board's January 10, 2011 Final Decision and Order in Docket No. RPU-2010-0001. IPL is required to file monthly information on its automatic recovery of transmission costs through a Regional Transmission Service Rider (Rider). The Rider is designed to recover transmission costs billed by MISO and other transmission-related costs. To negate the rate impact of the 2009 true-up costs on IPL's customers resulting from the creation of the Rider, the 2009 true-up costs are to be offset with proceeds from the alternative transaction adjustment (ATA) account. The 2009 true-up represents the difference between the revenue received by ITC Midwest based on rates in effect in 2009 and the actual costs incurred by ITC Midwest.

IPL's Rider became effective with customer billings on February 25, 2011. The first report covered the first full month that the Rider was in effect, March 2011, plus the three days in February 2011, when final rates went into effect. Succeeding reports covered the months of April, May, June, July, and August of 2011. This seventh report covers the month of September 2011.

The bulk of the transmission charges in the report are from MISO<sup>1</sup> although a small amount of charges are from Non-MISO sources such as CIPCO. The MISO charges are determined based on MISO rate schedules. The Non-MISO charges are supported by invoices from the transmission provider. Revenues are broken down by rate code for each class of customers. Each

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<sup>1</sup> ITC Midwest charges are based on FERC-approved MISO Tariff Schedules.

customer class has a cost recovery factor that is applicable to it. The cost recovery factors were approved under Docket No. TF-2011-0010. IPL is applying the monthly true-up amount as an ATA refund credit which reduces the monthly transmission expense.

After application of the ATA Refund Account Credit, the report shows net transmission expenses for Iowa for the month of September 2011 of \$18,742,530 with Iowa retail revenues for the same time period of \$17,812,725, resulting in an under-recovery of \$929,805 for the month. This added to the prior \$829,856 under-recovery results in the year-to-date under-recovery of transmission expenses of \$1,759,661.

IPL's report that was filed on October 21, 2011, is similar to the information filed in its monthly EAC filing (as required by the Board's order in Docket No. RPU-2010-0001), as it includes monthly revenues, expenses and the amount of the over- or under-recovery. The report lists the year-to-date over/under recovery, keeping the Board informed of the tracker balance. Staff believes that IPL has met the provisions as specified in the Board's Order of January 10, 2011 and recommends that the Board approve the report.

## **II. Recommendation**

Approve by letter IPL's Transmission Information Report for September 2011 in Docket No. EAC-2011-0007, subject to complaint or investigation.

/vj